



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 06-29, Rhode Island State Income Tax Withholding

Date: July 3, 2006

To: Holders of TAXES (State of Rhode Island only)
Personnel User Groups
T&A Contact Points in Rhode Island

Beginning with wages paid for Pay Period 13, the National Finance Center (NFC) will make the following changes to the state of Rhode Island income tax withholdings:

- The exemption allowance will increase from \$3,200 to \$3,300.
- The Single and Married withholding tables will change.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to NFC's Home Page (www.nfc.usda.gov) and click **Pubs & Forms**. Then on the Pubs & Forms page left-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "►◄".

For questions about NFC processing, contact the Payroll/Personnel Call Center at **504-255-4630**.

for

MARK J. HAZUDA, Director
Government Employees Services Division

Rhode Island State Income Tax Information

State Abbreviation: RI
State Tax Withholding State Code: 44
Acceptable Exemption Form: None
Basis For Withholding: Federal Exemptions
Acceptable Exemption Data: None
TSP Deferred: Yes
Special Coding: None
Additional Information: A state tax certificate is not required since Federal exemptions are used in the computation of the state formula.

Withholding Formula ►(Effective Pay Period 13, 2006)◄

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) (includes flexible spending account - health care and dependent care deductions) from the amount computed in step 1.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages times 26 to obtain the gross annual wages.
5. Determine the exemption allowance by applying the following guideline and subtract this amount from the gross annual wages to compute taxable income:

$$\text{Exemption Allowance} = \text{►\$3,300◄} \times \text{Number of Exemptions}$$

6. Apply the taxable income computed in step 5 to the following table to determine the annual Rhode Island tax withholding:

Tax Withholding Table Single

If the Amount of Taxable Income Is:		The Amount of Rhode Island Tax Withholding Should Be:			Of Excess Over:
Over:	But Not Over:				
\$ 0	\$ 2,650	\$ 0.00	plus	0.00%	\$ 0
2,650	►32,240	0.00	plus	3.75%	2,650
32,240	73,250	1,109.63	plus	7.00%	32,240
73,250	156,650	3,980.33	plus	7.75%	73,250
156,650	338,400	10,443.83	plus	9.00%	156,650
338,400	and over	26,801.33	plus	9.90%	338,400◄

If the Amount of Taxable Income Is:		Married The Amount of Rhode Island Tax Withholding Should Be:				Of Excess Over:	
Over:	But Not Over:						
\$ 0	\$ 6,450	\$ 0.00	plus	0.00%		\$ 0	
6,450	56,500	0.00	plus	3.75%		6,450	
56,500	120,200	1,876.88	plus	7.00%		56,500	
120,200	193,750	6,335.88	plus	7.75%		120,200	
193,750	341,850	12,036.01	plus	9.00%		193,750	
341,850	and over	25,365.01	plus	9.90%		341,850	

7. Divide the annual Rhode Island tax withholding by 26 to obtain the biweekly Rhode Island tax withholding.